

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF DELAWARE

IN THE MATTER OF THE APPLICATION OF)
DELMARVA POWER & LIGHT COMPANY TO)
REVISE A UTILITY FACILITY)
RELOCATION CHARGE ("UFRC") RATE TO) PSC DOCKET NO. 15-1601
RECOVER COSTS ASSOCIATED WITH THE)
RELOCATION OF GAS UTILITY FACILITIES)
PURSUANT TO 26 *DEL. C.* §315)
(FILED NOVEMBER 30, 2015;)
AMENDED DECEMBER 2, 2015)

ORDER NO. 8837

This 15th day of December, 2015, the Public Service Commission of Delaware (the "Commission") determines and orders the following:

WHEREAS, on November 30, 2015, Delmarva Power & Light Company ("Delmarva") filed an application and amended such application on December 2, 2015 (the "Application") seeking approval, pursuant to 26 *Del. C.* §315 and 26 *Del. Admin. C.* §1009, to establish the rate for the Utility Facility Relocation Charge ("UFRC") to recover certain incurred costs related to the relocation of gas facilities as required or necessitated by Department of Transportation or other governmental agency projects; and

WHEREAS, the Application requested the implementation of a UFRC rate increase of 0.21% (the "UFRC Rate").¹ The requested UFRC Rate is based on net utility plant additions of

¹ This is Delmarva's second application for approval of a UFRC Gas Rate since the regulations were implemented and the Commission issued its final order in PSC Docket No. 12-546, which was Delmarva's most-recent gas base rate case. Delmarva seeks to recover for UFRC costs incurred from April 1, 2015 through September 30, 2015. See Exhibit "A" of Application.

\$1,577,984.52 and a semi-annual depreciation expense of \$9,191.28 and a total under collection from the previous UFRC of \$2,008.58; and

WHEREAS, Staff has reviewed the Application and submitted discovery on both the application and the amended application to ensure compliance with the provisions of 26 Del. C. §§314 and 315 and 26 Del. Admin. C. §1009, and has determined that the requested UFRC Rate is less than a 5% increase in current rates;² and

WHEREAS, Staff recommends that the Commission allow the UFRC Rate to go into effect on January 1, 2016 subject to review, audit, and an annual reconciliation (the "Audit") of all of the items Delmarva listed on Exhibit "A" of the Application that were included in the calculation of the requested UFRC Rate; and

WHEREAS, the Division of the Public Advocate ("DPA") has requested to be included in the Audit; and

WHEREAS, Staff further recommends that if the Audit reflects that the requested UFRC Rate was improperly calculated, the Commission properly revise the requested UFRC Rate and provide an appropriate remedy for any UFRC charges improperly collected;

² Under 26 Del. C. §§314(b)(7) and 315(c), the UFRC Rate increase shall not exceed 5% within any 12-month period and the level of increase permitted under §314(b)(7) is limited to the portion of the customer's charge related to the delivery or distribution of natural gas.

**NOW, THEREFORE, IT IS HEREBY ORDERED BY THE AFFIRMATIVE
VOTE OF NOT FEWER THAN THREE COMMISSIONERS:**

1. Pursuant to 26 Del. C. §§314 and 315 and 26 Del. Admin. C. §1009, the Commission will allow the requested UFRC Rate of 1.95% to go into effect on January 1, 2016, subject to the Audit and our final approval.³ Staff and the DPA shall coordinate with Delmarva in the conduct of the Audit.

2. If the Commission finds that the UFRC Rate does not comply, in whole or in part, with the statutory prerequisites or was improperly calculated, the Commission may revise the UFRC Rate and provide an appropriate remedy for any UFRC charges improperly collected. Delmarva is thus put on notice that it may be obligated to refund or reimburse its customers in such a situation.

3. Pursuant to 26 Del. C. §§314(b)(8) and 315(c), the Commission reserves jurisdiction and authority to conduct the Audit.

4. Pursuant to 26 Del. C. §§314(b)(1) and 315(c), Delmarva shall provide information to its customers concerning the UFRC Rate.

5. Delmarva is hereby notified that it will be assessed the costs of this proceeding pursuant to 26 Del. C. §114(b).

6. The Commission reserves the jurisdiction and authority to enter such further orders in this matter as may be deemed necessary or proper.

³ Consistent with our DSIC orders, we do not specifically approve this UFRC Rate, but rather will rely on the Audit to ensure compliance with all applicable laws and regulations.

BY ORDER OF THE COMMISSION:

Chair

Commissioner

Commissioner

Commissioner

Commissioner

ATTEST:

Secretary